

108TH CONGRESS  
1ST SESSION

# S. 312

To amend title XXI of the Social Security Act to extend the availability of allotments for fiscal years 1998 through 2001 under the State Children's Health Insurance Program.

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## IN THE SENATE OF THE UNITED STATES

FEBRUARY 5, 2003

Mr. ROCKEFELLER (for himself, Mr. CHAFEE, Mr. KENNEDY, Ms. SNOWE, Mr. BAUCUS, Mr. GRASSLEY, Mr. CORZINE, Mr. WARNER, Mrs. CLINTON, Ms. COLLINS, Mr. BINGAMAN, Mr. MCCAIN, Mr. BAYH, Mr. DEWINE, Mrs. HUTCHISON, Mrs. LINCOLN, Mr. HATCH, Mr. LAUTENBERG, and Ms. MIKULSKI) introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend title XXI of the Social Security Act to extend the availability of allotments for fiscal years 1998 through 2001 under the State Children's Health Insurance Program.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

1 **SECTION 1. EXTENSION OF AVAILABILITY OF SCHIP ALLOT-**  
 2 **MENTS FOR FISCAL YEARS 1998 THROUGH**  
 3 **2001.**

4 (a) **EXTENDING AVAILABILITY OF SCHIP ALLOT-**  
 5 **MENTS FOR FISCAL YEARS 1998 THROUGH 2001.—**

6 (1) **RETAINED AND REDISTRIBUTED ALLOT-**  
 7 **MENTS FOR FISCAL YEARS 1998 AND 1999.—**Para-  
 8 graphs (2)(A)(i) and (2)(A)(ii) of section 2104(g) of  
 9 the Social Security Act (42 U.S.C. 1397dd(g)) are  
 10 each amended by striking “fiscal year 2002” and in-  
 11 serting “fiscal year 2004”.

12 (2) **EXTENSION AND REVISION OF RETAINED**  
 13 **AND REDISTRIBUTED ALLOTMENTS FOR FISCAL**  
 14 **YEAR 2000.—**

15 (A) **PERMITTING AND EXTENDING RETEN-**  
 16 **TION OF PORTION OF FISCAL YEAR 2000 ALLOT-**  
 17 **MENT.—**Paragraph (2) of such section 2104(g)  
 18 is amended—

19 (i) in the heading, by striking “AND  
 20 1999” and inserting “THROUGH 2000”; and

21 (ii) by adding at the end of subpara-  
 22 graph (A) the following:

23 “(iii) **FISCAL YEAR 2000 ALLOT-**  
 24 **MENT.—**Of the amounts allotted to a State  
 25 pursuant to this section for fiscal year  
 26 2000 that were not expended by the State

1 by the end of fiscal year 2002, 50 percent  
 2 of that amount shall remain available for  
 3 expenditure by the State through the end  
 4 of fiscal year 2004.”.

5 (B) REDISTRIBUTED ALLOTMENTS.—Para-  
 6 graph (1) of such section 2104(g) is amended—

7 (i) in subparagraph (A), by inserting  
 8 “or for fiscal year 2000 by the end of fis-  
 9 cal year 2002,” after “fiscal year 2001,”;

10 (ii) in subparagraph (A), by striking  
 11 “1998 or 1999” and inserting “1998,  
 12 1999, or 2000”;

13 (iii) in subparagraph (A)(i)—

14 (I) by striking “or” at the end of  
 15 subclause (I),

16 (II) by striking the period at the  
 17 end of subclause (II) and inserting “;  
 18 or”; and

19 (III) by adding at the end the  
 20 following new subclause:

21 “(III) the fiscal year 2000 allot-  
 22 ment, the amount specified in sub-  
 23 paragraph (C)(i) (less the total of the  
 24 amounts under clause (ii) for such fis-  
 25 cal year), multiplied by the ratio of

1 the amount specified in subparagraph  
 2 (C)(ii) for the State to the amount  
 3 specified in subparagraph (C)(iii).”;  
 4 (iv) in subparagraph (A)(ii), by strik-  
 5 ing “or 1999” and inserting “, 1999, or  
 6 2000”;  
 7 (v) in subparagraph (B), by striking  
 8 “with respect to fiscal year 1998 or 1999”;  
 9 (vi) in subparagraph (B)(ii)—  
 10 (I) by inserting “with respect to  
 11 fiscal year 1998, 1999, or 2000,”  
 12 after “subsection (e),”; and  
 13 (II) by striking “2002” and in-  
 14 serting “2004”; and  
 15 (vii) by adding at the end the fol-  
 16 lowing new subparagraph:  
 17 “(C) AMOUNTS USED IN COMPUTING RE-  
 18 DISTRIBUTIONS FOR FISCAL YEAR 2000.—For  
 19 purposes of subparagraph (A)(i)(III)—  
 20 “(i) the amount specified in this  
 21 clause is the amount specified in para-  
 22 graph (2)(B)(i)(I) for fiscal year 2000, less  
 23 the total amount remaining available pur-  
 24 suant to paragraph (2)(A)(iii);

1 “(ii) the amount specified in this  
 2 clause for a State is the amount by which  
 3 the State’s expenditures under this title in  
 4 fiscal years 2000, 2001, and 2002 exceed  
 5 the State’s allotment for fiscal year 2000  
 6 under subsection (b); and

7 “(iii) the amount specified in this  
 8 clause is the sum, for all States entitled to  
 9 a redistribution under subparagraph (A)  
 10 from the allotments for fiscal year 2000, of  
 11 the amounts specified in clause (ii).”.

12 (C) CONFORMING AMENDMENTS.—Such  
 13 section 2104(g) is further amended—

14 (i) in its heading, by striking “AND  
 15 1999” and inserting “, 1999, AND 2000”;  
 16 and

17 (ii) in paragraph (3)—

18 (I) by striking “or fiscal year  
 19 1999” and inserting “, fiscal year  
 20 1999, or fiscal year 2000”; and

21 (II) by striking “or November  
 22 30, 2001” and inserting “November  
 23 30, 2001, or November 30, 2002”, re-  
 24 spectively.

1           (3) EXTENSION AND REVISION OF RETAINED  
2           AND REDISTRIBUTED ALLOTMENTS FOR FISCAL  
3           YEAR 2001.—

4           (A) PERMITTING AND EXTENDING RETEN-  
5           TION OF PORTION OF FISCAL YEAR 2001 ALLOT-  
6           MENT.—Paragraph (2) of such section 2104(g),  
7           as amended in paragraph (2)(A)(ii), is further  
8           amended—

9                   (i) in the heading, by striking “2000”  
10                   and inserting “2001”; and

11                   (ii) by adding at the end of subpara-  
12                   graph (A) the following:

13                           “(iv) FISCAL YEAR 2001 ALLOT-  
14                           MENT.—Of the amounts allotted to a State  
15                           pursuant to this section for fiscal year  
16                           2001 that were not expended by the State  
17                           by the end of fiscal year 2003, 50 percent  
18                           of that amount shall remain available for  
19                           expenditure by the State through the end  
20                           of fiscal year 2005.”.

21           (B) REDISTRIBUTED ALLOTMENTS.—Para-  
22           graph (1) of such section 2104(g), as amended  
23           in paragraph (2)(B), is further amended—

1 (i) in subparagraph (A), by inserting  
 2 “or for fiscal year 2001 by the end of fis-  
 3 cal year 2003,” after “fiscal year 2002,”;

4 (ii) in subparagraph (A), by striking  
 5 “1999, or 2000” and inserting “1999,  
 6 2000, or 2001”;

7 (iii) in subparagraph (A)(i)—

8 (I) by striking “or” at the end of  
 9 subclause (II),

10 (II) by striking the period at the  
 11 end of subclause (III) and inserting “;  
 12 or”; and

13 (III) by adding at the end the  
 14 following new subclause:

15 “(IV) the fiscal year 2001 allot-  
 16 ment, the amount specified in sub-  
 17 paragraph (D)(i) (less the total of the  
 18 amounts under clause (ii) for such fis-  
 19 cal year), multiplied by the ratio of  
 20 the amount specified in subparagraph  
 21 (D)(ii) for the State to the amount  
 22 specified in subparagraph (D)(iii).”;

23 (iv) in subparagraph (A)(ii), by strik-  
 24 ing “or 2000” and inserting “2000, or  
 25 2001”;

1 (v) in subparagraph (B)—

2 (I) by striking “and” at the end  
3 of clause (ii);

4 (II) by redesignating clause (iii)  
5 as clause (iv); and

6 (III) by inserting after clause (ii)  
7 the following new clause:

8 “(iii) notwithstanding subsection (e),  
9 with respect to fiscal year 2001, shall re-  
10 main available for expenditure by the State  
11 through the end of fiscal year 2005; and”;  
12 and

13 (vi) by adding at the end the following  
14 new subparagraph:

15 “(D) AMOUNTS USED IN COMPUTING RE-  
16 DISTRIBUTIONS FOR FISCAL YEAR 2001.—For  
17 purposes of subparagraph (A)(i)(IV)—

18 “(i) the amount specified in this  
19 clause is the amount specified in para-  
20 graph (2)(B)(i)(I) for fiscal year 2001, less  
21 the total amount remaining available pur-  
22 suant to paragraph (2)(A)(iv);

23 “(ii) the amount specified in this  
24 clause for a State is the amount by which  
25 the State’s expenditures under this title in



1           fiscal years 2001, 2002, and 2003 exceed  
 2           the State’s allotment for fiscal year 2001  
 3           under subsection (b); and

4           “(iii) the amount specified in this  
 5           clause is the sum, for all States entitled to  
 6           a redistribution under subparagraph (A)  
 7           from the allotments for fiscal year 2001, of  
 8           the amounts specified in clause (ii).”.

9           (C) CONFORMING AMENDMENTS.—Such  
 10          section 2104(g) is further amended—

11           (i) in its heading, by striking “AND  
 12           2000” and inserting “2000, AND 2001”;  
 13           and

14           (ii) in paragraph (3)—

15           (I) by striking “or fiscal year  
 16           2000” and inserting “fiscal year  
 17           2000, or fiscal year 2001”; and

18           (II) by striking “or November  
 19           30, 2002,” and inserting “November  
 20           30, 2002, or November 30, 2003,”  
 21           respectively.

22          (4) EFFECTIVE DATE.—This subsection, and  
 23          the amendments made by this subsection, shall be  
 24          effective as if this subsection had been enacted on  
 25          September 30, 2002, and amounts under title XXI

1 of the Social Security Act (42 U.S.C. 1397aa et  
 2 seq.) from allotments for fiscal years 1998 through  
 3 2000 are available for expenditure on and after Oc-  
 4 tober 1, 2002, under the amendments made by this  
 5 subsection as if this subsection had been enacted on  
 6 September 30, 2002.

7 (b) AUTHORITY FOR QUALIFYING STATES TO USE  
 8 PORTION OF SCHIP FUNDS FOR MEDICAID EXPENDI-  
 9 TURES.—Section 2105 of the Social Security Act (42  
 10 U.S.C. 1397ee) is amended by adding at the end the fol-  
 11 lowing:

12 “(g) AUTHORITY FOR QUALIFYING STATES TO USE  
 13 CERTAIN FUNDS FOR MEDICAID EXPENDITURES.—

14 “(1) STATE OPTION.—

15 “(A) IN GENERAL.—Notwithstanding any  
 16 other provision of law, with respect to allot-  
 17 ments for fiscal years 1998, 1999, 2000, 2001,  
 18 for fiscal years in which such allotments are  
 19 available under subsections (e) and (g) of sec-  
 20 tion 2104, a qualifying State (as defined in  
 21 paragraph (2)) may elect to use not more than  
 22 20 percent of such allotments (instead of for  
 23 expenditures under this title) for payments for  
 24 such fiscal year under title XIX in accordance  
 25 with subparagraph (B).

1 “(B) PAYMENTS TO STATES.—

2 “(i) IN GENERAL.—In the case of a  
3 qualifying State that has elected the option  
4 described in subparagraph (A), subject to  
5 the total amount of funds described with  
6 respect to the State in subparagraph (A),  
7 the Secretary shall pay the State an  
8 amount each quarter equal to the addi-  
9 tional amount that would have been paid  
10 to the State under title XIX for expendi-  
11 tures of the State for the fiscal year de-  
12 scribed in clause (ii) if the enhanced  
13 FMAP (as determined under subsection  
14 (b)) had been substituted for the Federal  
15 medical assistance percentage (as defined  
16 in section 1905(b)) of such expenditures.

17 “(ii) EXPENDITURES DESCRIBED.—  
18 For purposes of clause (i), the expendi-  
19 tures described in this clause are expendi-  
20 tures for such fiscal years for providing  
21 medical assistance under title XIX to indi-  
22 viduals who have not attained age 19 and  
23 whose family income exceeds 150 percent  
24 of the poverty line.

1                   “(iii) NO IMPACT ON DETERMINATION  
2                   OF BUDGET NEUTRALITY FOR WAIVERS.—

3                   In the case of a qualifying State that uses  
4                   amounts paid under this subsection for ex-  
5                   penditures described in clause (ii) that are  
6                   incurred under a waiver approved for the  
7                   State, any budget neutrality determina-  
8                   tions with respect to such waiver shall be  
9                   determined without regard to such  
10                  amounts paid.

11               “(2) QUALIFYING STATE.—In this subsection,  
12               the term ‘qualifying State’ means a State that—

13                   “(A) as of April 15, 1997, has an income  
14                   eligibility standard with respect to any 1 or  
15                   more categories of children (other than infants)  
16                   who are eligible for medical assistance under  
17                   section 1902(a)(10)(A) or under a waiver under  
18                   section 1115 implemented on January 1, 1994,  
19                   that is up to 185 percent of the poverty line or  
20                   above; and

21                   “(B) satisfies the requirements described  
22                   in paragraph (3).

23               “(3) REQUIREMENTS.—The requirements de-  
24               scribed in this paragraph are the following:

1           “(A) SCHIP INCOME ELIGIBILITY.—The  
 2           State has a State child health plan that (wheth-  
 3           er implemented under title XIX or this title)—

4                   “(i) as of January 1, 2001, has an in-  
 5                   come eligibility standard that is at least  
 6                   200 percent of the poverty line or has an  
 7                   income eligibility standard that exceeds  
 8                   200 percent of the poverty line under a  
 9                   waiver under section 1115 that is based on  
 10                  a child’s lack of health insurance;

11                  “(ii) subject to subparagraph (B),  
 12                  does not limit the acceptance of applica-  
 13                  tions for children; and

14                  “(iii) provides benefits to all children  
 15                  in the State who apply for and meet eligi-  
 16                  bility standards on a statewide basis.

17           “(B) NO WAITING LIST IMPOSED.—With  
 18           respect to children whose family income is at or  
 19           below 200 percent of the poverty line, the State  
 20           does not impose any numerical limitation, wait-  
 21           ing list, or similar limitation on the eligibility of  
 22           such children for child health assistance under  
 23           such State plan.

24           “(C) ADDITIONAL REQUIREMENTS.—The  
 25           State has implemented at least 3 of the fol-

1           lowing policies and procedures (relating to cov-  
2           erage of children under title XIX and this title):

3                   “(i) UNIFORM, SIMPLIFIED APPLICA-  
4                   TION FORM.—With respect to children who  
5                   are eligible for medical assistance under  
6                   section 1902(a)(10)(A), the State uses the  
7                   same uniform, simplified application form  
8                   (including, if applicable, permitting appli-  
9                   cation other than in person) for purposes  
10                  of establishing eligibility for benefits under  
11                  title XIX and this title.

12                  “(ii) ELIMINATION OF ASSET TEST.—  
13                  The State does not apply any asset test for  
14                  eligibility under section 1902(l) or this title  
15                  with respect to children.

16                  “(iii) ADOPTION OF 12-MONTH CON-  
17                  TINUOUS ENROLLMENT.—The State pro-  
18                  vides that eligibility shall not be regularly  
19                  redetermined more often than once every  
20                  year under this title or for children de-  
21                  scribed in section 1902(a)(10)(A).

22                  “(iv) SAME VERIFICATION AND REDE-  
23                  TERMINATION POLICIES; AUTOMATIC REAS-  
24                  SESSMENT OF ELIGIBILITY.—With respect  
25                  to children who are eligible for medical as-

1 assistance under section 1902(a)(10)(A), the  
2 State provides for initial eligibility deter-  
3 minations and redeterminations of eligi-  
4 bility using the same verification policies  
5 (including with respect to face-to-face  
6 interviews), forms, and frequency as the  
7 State uses for such purposes under this  
8 title, and, as part of such redetermina-  
9 tions, provides for the automatic reassess-  
10 ment of the eligibility of such children for  
11 assistance under title XIX and this title.

12 “(v) OUTSTATIONING ENROLLMENT  
13 STAFF.—The State provides for the receipt  
14 and initial processing of applications for  
15 benefits under this title and for children  
16 under title XIX at facilities defined as dis-  
17 proportionate share hospitals under section  
18 1923(a)(1)(A) and Federally-qualified  
19 health centers described in section  
20 1905(l)(2)(B) consistent with section  
21 1902(a)(55).”.

○